

Attachment 1

LIST OF DESIGNATED CONTACT PERSONS

- a) issues related to processing this application

Monica R. Borne
Nowalsky, Bronston & Gothard
3500 N. Causeway Blvd.
Suite 1442
Metairie, LA 70002
Ph. (504) 832-1984
Fx. (504) 831-0892

- b) consumer issues;
c) customer complaint resolution;
d) technical and service quality issues;
e) tariff and pricing issues;
f) 9-1-1 issues; and
g) security/law enforcement.

Riccardo Ferranti
American Phone Services Corp.
11285 Elkins Road, Suite L4
Roswell, Georgia 30076
Ph. (770) 569-1213
Fx. (770) 667-1030

Attachment 2

ARTICLES OF INCORPORATION
AND CERTIFICATE OF AUTHORITY FOR THE STATE OF ILLINOIS

State of Illinois
Office of
The Secretary of State

Whereas, APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT
BUSINESS IN THIS STATE OF
AMERICAN PHONE SERVICES CORP.
INCORPORATED UNDER THE LAWS OF THE STATE OF GEORGIA HAS BEEN FILED
IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS
CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be
affixed the Great Seal of the State of Illinois,
at the City of Springfield, this 24TH
day of MARCH A.D. 2000 and of
the Independence of the United States the two
hundred and 24TH .



Jesse White

Secretary of State

Form **BCA-13.15**
(Rev. Jan. 1999)

APPLICATION FOR CERTIFICATE
OF AUTHORITY TO
TRANSACTION BUSINESS IN ILLINOIS

SUBMIT IN DUPLICATE!

Jesse White, Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-1834
<http://www.sos.state.il.us>

This space for use by Secretary of State

FILED

MAR 24 2000

JESSE WHITE
SECRETARY OF STATE

This space for use by
Secretary of State

Date 3-24-00

License Fee \$

Franchise Tax \$ 25

Filing Fee \$ 70

Penalties \$

Approved: [Signature] 100

1. (a) CORPORATE NAME: AMERICAN PHONE SERVICES CORP.

(Complete item 1 (b) only if the corporate name is not available in this state.)

(b) ASSUMED CORPORATE NAME: _____
(By electing this assumed name, the corporation hereby agrees NOT to use its corporate name in the transaction of business in Illinois. Form BCA 4.15 is attached.)

2. (a) State or Country of Incorporation: GEORGIA

(b) Date of Incorporation: 11/18/97

(c) Period of Duration: PERPETUAL

3. (a) Address of the principal office, wherever located:

11285 Elkins Rd. Unit L4

Roswell, GA 30076

(b) Address of principal office in Illinois:

(If none, so state)

208 South LaSalle Street, Ste. 1855

Chicago, Illinois 60604

4. Name and address of the registered agent and registered office in Illinois.

Registered Agent National Registered Agents, Inc.

First Name

Middle Name

Last Name

Registered Office 208 South LaSalle street, Suite 1855

Number

Street

Suite #

Chicago

Illinois

60604

Cook

City

ZIP Code

County

5. States and countries in which it is admitted or qualified to transact business: (Include state of incorporation)

Utah, Arizona, California, Idaho
Georgia, Florida, Virginia, New York, New Jersey, Michigan, Texas Colorado, Montana

6. Names and residential addresses of officers and directors:

Name	No. & Street	City	State	ZIP
President Riccardo Ferranti	11285 Elkins Rd. Unit L4	Roswell	GA	30076
Secretary Giovanni Nobile	11285 Elkins Rd. Unit L4	Roswell	GA	30076
Director Riccardo Ferranti	11285 Elkins Rd. Unit L4	Roswell	GA	30076
Director Giovanni Nobile	11285 Elkins Rd. Unit L4	Roswell	GA	30076
Director				

If more than 3, attach list

7. Purpose or purposes proposed to be pursued in transacting business in this state:
(If not sufficient space to cover this point, add one or more sheets of this size.)
The sale of telecommunications services and products.

8. Authorized and issued shares:

Class	Series	Par Value	Number of Shares Authorized	Number of Shares Issued
common		no par	200	200

9. Paid-in Capital: \$ 108,073.17

("Paid-in Capital" replaces the terms Stated Capital & Paid-in Surplus and is equal to the total of these accounts.)

10. (a) Give an estimate of the total value of all the property* of the corporation for the following year: \$ 93,000.00
- (b) Give an estimate of the total value of all the property* of the corporation for the following year that will be located in Illinois: \$ 100.00
- (c) State the estimated total business of the corporation to be transacted by it everywhere for the following year: \$ 1,137,177.00
- (d) State the estimated annual business of the corporation to be transacted by it at or from places of business in the State of Illinois: \$ 10,000.00

11. Interrogatories: (Important – this section must be completed.)

- ** (a) Office or offices to which all contracts with the corporation are forwarded for final acceptance: 11285 ELKINS RD., STE. L-4 ROSWELL, GA. 30076
- (b) Number of shares of all classes owned by residents of Illinois: 0
- (c) Number of shares of all classes owned by non-residents of Illinois: 200
- (d) Is the corporation transacting business in this state at this time? NO
- (e) If the answer to item 11(d) is yes, state the exact date on which it commenced to transact business in Illinois:

12. This application is accompanied by a certified copy of the articles of incorporation, as amended, duly authenticated, within the last ninety (90) days, by the proper officer of the state or country wherein the corporation is incorporated.

13. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated 2/18 (Month & Day) 2000 (Year)
attested by Giovanni Nobile, Secretary
(Signature of Secretary or Assistant Secretary)
(Type or Print Name and Title)

AMERICAN PHONE SERVICE CORP.
(Exact Name of Corporation)
Riccardo Ferranti, President
(Signature of President or Vice President)
by Riccardo Ferranti, President
(Type or Print Name and Title)

* PROPERTY as used in this application shall apply to all property of the corporation, real, personal, tangible, intangible, or mixed without qualifications.

** When the response to #11(a) lists ONLY an Illinois address, then the total business as reflected in #10(c) is also considered to be Illinois business for the purpose of computing the Illinois allocation factor. By signing this application, the corporation affirms that it is aware that the amount of paid-in capital, and consequently the amount of license fees and franchise taxes, may be proportionately higher due to the Illinois address shown under #11(a).

**ARTICLES OF INCORPORATION
OF
AMERICAN PHONE SERVICES CORP.**

Filed by:

**Spar & Bernstein, P.C.
225 Broadway
Suite 512
New York, New York 10007**

ARTICLES OF INCORPORATION

AMERICAN PHONE SERVICES CORP.

FIRST: The name of the corporation is AMERICAN PHONE SERVICES CORP.

SECOND: The number of shares which the corporation is authorized to issue is: Two Hundred (200) all of which shall be without par value.

THIRD: The street address of the initial registered office of the corporation is 527-F Northridge Road, Atlanta, Georgia 30350 and the registered agent at such address is Martha Bush.

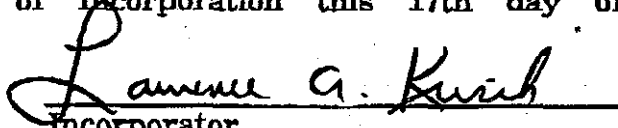
FOURTH: The name and address of the incorporator is:

Lawrence A. Kirsch
90 State Street
Albany, New York 12207

FIFTH: The mailing address of the initial principal office of the corporation is:

527-F Northridge Road
Atlanta, Georgia 30350

IN WITNESS WHEREOF, the incorporator being over eighteen years of age has executed these Articles of Incorporation this 17th day of November, 1997.


Incorporator
LAWRENCE A. KIRSCH
90 State Street
Albany, New York

NOV 18 11 07 AM '97

SECRETARY OF STATE

MINUTES OF
THE ORGANIZATION MEETING
OF
AMERICAN PHONE SERVICES CORP.

The organization meeting of incorporators was held at 527F Northridge Rd, Atlanta, GA on January 12, 1998 at 8:00 p.m.

The following were present:

Giovanni Nobile, Riccardo Ferranti

being all the incorporators of the corporation. Riccardo Ferranti was appointed chairman of the meeting and Giovanni Nobile was appointed secretary.

The secretary then presented and read to the meeting the waiver of the notice of the meeting, subscribed by all the persons named in the certificate of incorporation, and it was ordered that it be appended to the minutes of the meeting.

The secretary then presented and read to the meeting a copy of the certificate of incorporation and reported that on November 18, 1997, the original thereof was filed in the office of the Secretary of State of this State. The copy of the certificate of incorporation was ordered appended to the minutes of the meeting.

The secretary then presented assignments executed by the subscribing stockholders as follows:

<u>from</u>	<u>to</u>	<u>number of shares</u>
Corporation	Riccardo Ferranti	167
Corporation	Giovanni Nobile	33

RESOLVED, that the assignments of subscription rights as stated above are hereby approved and it is ordered that the assignments as executed by the subscribing stockholders be appended to the minutes of this meeting.

The chairman then stated that nominations were in order for election of directors of the corporation to hold office until the first annual meeting of the stockholders and until their successors shall be elected and shall qualify.

The following persons were nominated:

Riccardo Ferranti
Giovanni Nobile

No further nominations being made, nominations were closed and a vote was taken.

After the vote had been counted, the chairman declared that the foregoing named nominees were elected directors of the corporation

The chairman then stated that the newly elected directors would assume their responsibilities immediately and that this meeting would be considered as the first meeting of directors to organize the corporation and to transact such business as should properly come before the meeting.

The secretary then presented a proposed form of by-laws prepared by Spar & Bernstein P.C., counsel to the corporation. The proposed by-laws were read to the meeting, considered and upon motion duly made, seconded and carried, were adopted as and for the by-laws of the corporation and ordered appended to the minutes of the meeting.

The chairman of the meeting then called for the election of officers to the corporation. The following persons were nominated to the office preceding their name:

president:	Riccardo Ferranti
secretary	
treasurer:	Giovanni Nobile

No further nominations being made, the nominations were closed and the directors proceeded to vote on the nominees. The chairman announced that the foregoing nominees were elected to the offices set before their respective names.

The secretary submitted to the meeting a seal proposed for use as the corporate seal, a specimen stock certificate proposed for use as the corporate certificate for stock, the corporate record book, and the stock transfer ledger. Upon motion duly made, seconded and carried, it was

RESOLVED, that the seal now presented at this meeting, an impression of which is directed to be made in the minutes of this meeting, be and



the same hereby is
adopted as the seal
of the corporation, and
further

RESOLVED, that the specimen stock certificate presented to this meeting be and hereby is adopted as the form of certificate of stock to be issued to represent shares in the corporation, and further

RESOLVED, that the corporate record book, including the stock transfer ledge, be and hereby is adopted as the record book and stock transfer ledger of the corporation.

Upon motion duly made, seconded and carried, it was

RESOLVED, that the treasurer of the corporation be and hereby is authorized to pay all charges and expenses incident to or arising out of the organization of the corporation and to reimburse any person who has made any disbursement therefor.

Upon motion, duly made, seconded and carried, it was

RESOLVED, that an office of the corporation be established and maintained at 527F Northridge Road, in the City of Atlanta, State of Georgia, and that meetings of the board of directors from time to time may be held either at the principal office or at such other place as the board of directors shall from time to time order.

Upon motion, duly made, seconded and carried, it was

RESOLVED, that for the purpose of authorizing the corporation to do business in any state, territory or dependency of the United States or any foreign country in which it is necessary or expedient for this corporation to transact business, the proper officers of this corporation are hereby authorized to appoint and substitute all necessary agents or attorneys for service of process, to designate and change the location of all necessary statutory offices and, under the corporate seal, to make and file all necessary certificates, reports, powers of attorney and other instruments as may be required by the laws of such state, territory, dependency or country to authorize the corporation to transact business therein.

The chairman then stated that it was desirable to designate a depository for the funds of the corporation. Thereupon, on motion duly made, seconded and unanimously adopted, it was

RESOLVED, that the treasurer be and hereby is authorized to open a bank account in behalf of the corporation with Wachover

Bank located at 10825 Alphorette Highway, Roswell, GA 30076, and a resolution for that purpose on the printed form of said bank was adopted and was ordered appended to the minutes of this meeting.

Upon motion duly made, seconded and carried, it was

RESOLVED, that the board of directors be and hereby is authorized to issue the unsubscribed capital stock of the corporation at such times and in such amounts as it shall determine, and to accept in payment thereof, cash, labor done, personal property, real property or leases thereof, or such other property as the board may deem necessary for the business of the corporation.

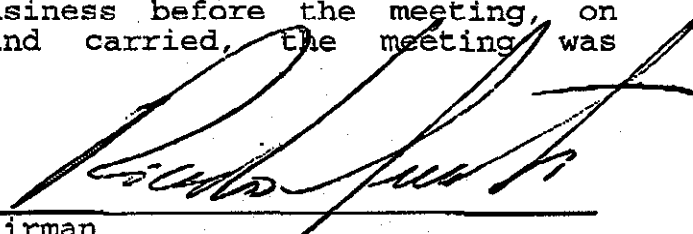
Upon motion duly made, seconded and carried, it was

RESOLVED, that the corporation proceed to carry on the business for which it was incorporated, and further

RESOLVED, that the signing of these minutes shall constitute full ratification thereof and waiver of notice of the meeting by the signatories.

There being no further business before the meeting, on motion duly made, seconded and carried, the meeting was adjourned.

Dated:


Chairman
Secretary

A true copy of each of the following papers referred to in the foregoing minutes is appended hereto:

Waiver of notice of the meeting
Certificate of incorporation
Assignments of subscription
By-laws
Specimen stock certificates
Resolution designating depository of funds

WAIVER OF NOTICE
OF THE ORGANIZATION MEETING
OF
AMERICAN PHONE SERVICES CORP.

We, the undersigned, being all the incorporators named in the certificate of incorporation of the above corporation hereby agree and consent that the organization meeting thereof be held on the date and at the time and place stated below and hereby waive all notice of such meeting and of any adjournment thereof.

Place of meeting: 527F Northridge Road, Atlanta, GA 30350

Date of meeting: 1/12/98

Time of meeting: 8:00 PM


G. NOBILE


R. FERRANTI

Dated: 1/12/98

Attachment 3

JURISDICTIONS WHERE OPERATING

The Company is currently authorized to provide service in Arizona, California, Colorado, Florida, Georgia, Idaho, Michigan, Montana, New Jersey, New York, Texas, Utah and Virginia. Certification is pending in Oregon, South Carolina and Washington. The Company has not been denied authority to operate in any state and is currently in good standing in all states where it operates.

Attachment 4

MANAGEMENT PROFILES

American Phone Services Corp.

Key Management Profiles:

Riccardo Ferranti, President/Director

Mr. Ferranti owns a chain of bookstores in Italy, and has worked as an entrepreneur since 1981. He received a law degree, specializing in Criminal and Communications Law, and practiced law for three (3) years in Italy. Since coming to the United States, Mr. Ferranti has focused on the development of American Phone Services Corp. and takes care of all business aspects related to the Company.

Giovanni Nobile, Secretary/Treasurer/Director

Mr. Nobile has a degree in Telecommunications Science. He has worked in Italy as an MIS director, and in the United States in the field of telecommunications with such companies as WilTel and OLS as a Senior Account Manager and in the Wholesale Department. Mr. Nobile's knowledge of the telecommunications industry has been instrumental in the rapid response of American Phone Services Corp. to the ever-changing marketplace.

Attachment 5

FINANCIAL STATEMENTS

12/21/99

American Phone Services, Corp.
Summary Balance Sheet
As of December 21, 1999

	<u>Dec 21, '99</u>
ASSETS	
Current Assets	
Checking/Savings	84,969.94
Accounts Receivable	<u>8,596.00</u>
Total Current Assets	<u>93,565.94</u>
TOTAL ASSETS	<u><u>93,565.94</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	1,119.49
Other Current Liabilities	<u>6,360.55</u>
Total Current Liabilities	<u>7,480.04</u>
Total Liabilities	7,480.04
Equity	<u>86,085.90</u>
TOTAL LIABILITIES & EQUITY	<u><u>93,565.94</u></u>

12/21/99

American Phone Services, Corp.
Balance Sheet
As of December 21, 1999

	Dec 21, '99
ASSETS	
<i>Current Assets</i>	
Checking/Savings	
Checking	76,268.26
Payroll	8,701.68
Total Checking/Savings	84,969.94
Accounts Receivable	
Accounts Receivable	8,596.00
Total Accounts Receivable	8,596.00
Total Current Assets	93,565.94
TOTAL ASSETS	93,565.94
LIABILITIES & EQUITY	
<i>Liabilities</i>	
<i>Current Liabilities</i>	
Accounts Payable	
Accounts Payable	1,000.00
Advance funding	119.49
Total Accounts Payable	1,119.49
Other Current Liabilities	
Payroll Liabilities	6,360.55
Total Other Current Liabilities	6,360.55
Total Current Liabilities	7,480.04
Total Liabilities	7,480.04
<i>Equity</i>	
Opening Bal Equity	255,972.89
Owner's Capital	
Investments	38,481.00
Owner's Capital - Other	69,592.17
Total Owner's Capital	108,073.17
Retained Earnings	-251,405.04
Net Income	-26,555.12
Total Equity	86,085.90
TOTAL LIABILITIES & EQUITY	93,565.94

12/21/99

American Phone Services, Corp.
Profit and Loss by Class
January 1 through December 21, 1999

	Unclassified	TOTAL
Ordinary Income/Expense		
Income		
Fees	100.00	100.00
Refund	3,988.87	3,988.87
Reimbursed Expenses	-16,413.25	-16,413.25
Returned Items	98.48	98.48
Sales	1,149,403.85	1,149,403.85
Total Income	1,137,177.95	1,137,177.95
Expense		
Acquisition Customer		
- Agent	1,010.39	1,010.39
Acquisition Customer - Agent	197.89	197.89
TM - Acquisition Customer	308,187.88	308,187.88
TPV - Acquisition Cust	71,075.31	71,075.31
Acquisition Customer - Other	279.93	279.93
Total Acquisition Customer	380,751.40	380,751.40
Bank Service Charges	6,510.15	6,510.15
Carrier Expenses		
Deposit	30,000.00	30,000.00
Carrier Expenses - Other	350,371.18	350,371.18
Total Carrier Expenses	380,371.18	380,371.18
Certifications Fees	558.00	558.00
Checks	101.64	101.64
Commission	89.70	89.70
Computer Leasing	3,036.48	3,036.48
CPUC FEES	1,952.00	1,952.00
Deduction Employee Payroll	2,772.00	2,772.00
Dues and Subscriptions	5,940.32	5,940.32
Insurance		
Application Fees	447.00	447.00
Insurance Leasing	150.00	150.00
Insurance - Other	5,369.00	5,369.00
Total Insurance	5,966.00	5,966.00
Licenses and Permits	160.00	160.00
Meter Leasing	3,713.48	3,713.48
Miscellaneous		
Abbonement	832.01	832.01
Advertising	19,076.37	19,076.37
Allarms	273.75	273.75
Internet	5,005.00	5,005.00
Leads	530.00	530.00
Miscellaneous - Other	1,568.24	1,568.24
Total Miscellaneous	27,285.37	27,285.37
Office Leasing	31,945.06	31,945.06
Office Supplies	20,836.80	20,836.80
Payroll Expenses	214,867.13	214,867.13
Postage and Delivery	5,514.21	5,514.21
Printing and Reproduction	5,627.78	5,627.78
Professional Development	2,970.00	2,970.00
Professional Fees		
Accounting	2,075.00	2,075.00
Certification Fee	4,296.76	4,296.76
Legal Fees	12,483.56	12,483.56
Professional Fees - Other	2,736.37	2,736.37
Total Professional Fees	21,591.69	21,591.69
Reimbursement Expense	5,610.87	5,610.87
Rent	1,570.00	1,570.00
Setup Fees	665.76	665.76
Setup Fees and Deposit	1,250.00	1,250.00
Taxes	2,156.68	2,156.68

12/21/99

American Phone Services, Corp.
Profit and Loss by Class
January 1 through December 21, 1999

	Unclassified	TOTAL
Telephone	25,475.36	25,475.36
Travel & Ent		
Meals	143.69	143.69
Travel	747.22	747.22
Travel & Ent - Other	99.26	99.26
Total Travel & Ent	990.17	990.17
Utilities		
Gas and Electric	2,933.13	2,933.13
Total Utilities	2,933.13	2,933.13
Total Expense	1,163,212.36	1,163,212.36
Net Ordinary Income	-26,034.41	-26,034.41
Other Income/Expense		
Other Income		
Interest Income	46.34	46.34
Reimbursed Deposit	677.28	677.28
Total Other Income	723.62	723.62
Other Expense		
Customer Refund	1,244.33	1,244.33
Total Other Expense	1,244.33	1,244.33
Net Other Income	-520.71	-520.71
Net Income	-26,555.12	-26,555.12